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SUBJECT: UPDATE ON MOFA'S ASIA-PACIFIC ECONOMIC DATA
COLLECTION INITIATIVE

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11. (SBU) Summary: MOFA continues to plug away at its regional economic data collection and analysis proposal (aka EiSMAP, the Economic Information Sharing Mechanism of the Asia-Pacific), having secured a USD six figure budget line item for the project in the draft GOJ FY-2007 budget. MOFA hopes to set up a working group to design EiSMAP in the spring of 2007, drawing from the attendees at its organizational conference in Kyoto in November 2006. MOFA will push the concept within APEC beginning at the Senior Officials Meeting in Canberra in January 2007 and plans to open a pilot web portal by the end of the year. Kyoto University professor Takeuchi has become MOFA's point person for the initiative. End Summary.

12. (SBU) EMIN spoke on December 26, 2006, with Ministry of Foreign Affairs (MOFA) OECD Division Director Tsusumi regarding MOFA's efforts to create an "economic information sharing mechanism of the Asia-Pacific" (EiSMAP). Since the initial November 2006 organizational meeting in Kyoto hosted by MOFA and Kyoto University see below), Japan succeeded in placing a note on EiSMAP in the November 2006 APEC joint statement ("ministers noted Japan's proposal to promote information sharing for sustainable growth of the Asia Pacific economy in a more accurate, speedier, and user-friendly way"). Tsusumi reported that in the draft GOJ budget for FY-2007 agreed last week, MOFA secured more than USD 100,000 to support EiSMAP activities in the coming fiscal year. Kyoto professor Takeuchi, designated as the GOJ's point person on EiSMAP, is currently visiting Seoul to drive up ROK support and interest, and will similarly visit Malaysia and IMF headquarters in Washington in the near future.

13. (SBU) For 2007, Tsusumi noted that MOFA hopes to establish a working group to design the project this spring, have a pilot web portal open by the second half of the year, and host a follow-up organizational conference, again in Kyoto, perhaps in October. In addition, MOFA reps will be pushing EiSMAP as an APEC undertaking at the APEC Senior Officials Meeting in Canberra in January 2007. Tsusumi

reported that MOFA is running into opposition to do so from Australia and New Zealand due to their commitment to re-orient APEC work towards policy rather than additional statistical work. Finally, Tsusumi said MOFA will redouble efforts to engage China in the coming year. Representatives of China dropped out of the November 2006 Kyoto EiSMAP conference at the last minute due to Beijing's unhappiness with Taiwanese participation.

14. (U) As reported earlier via email, MOFA jointly hosted with Kyoto University on November 5-7, 2006, in Kyoto a conference on EiSMAP. MOFA Economic Bureau DG Ishikawa and Kyoto professor Takeuchi chaired the proceedings. Twelve countries, four IOs and one economy (Taiwan) were represented. China cancelled at the last minute. Representatives from the statistical bureaus of the IMF, ADB, IBRD attended, as did the head of the U.S. East-West Center, other regional research institutes, and those with long experience in the region, including Canada's PECC chair and its senior MFA economic policy official.

15. (U) During the Kyoto meeting, delegates from across the spectrum expressed skepticism regarding the proposal's objectives; the ability to gather reliable, meaningful, accountable data not already collected by other agencies or services; the ability to present or process the data to add value; the availability of donors to provide the necessary, significant resources, including for capacity building; the ability of Japan or others to sustain the project over the medium/long term; and noted concern that the project could harm similar programs or networks already underway. That said, delegates acknowledged that there are serious qualitative and quantitative shortcomings in the data produced in Asia that have the potential to mislead

policymakers and investors, or contribute to nasty spillovers in the event of an economic or environmental crisis in the area.

16. (U) As such, with Japan offering to seek to commit resources to a pilot program (for now, just a web-based portal) and to manage a task force over the coming year to further define the project, delegates agreed that (as one put it) there might be a kernel of an idea that deserved support. EMIN pushed hard that any undertaking or commitment of resources be done via APEC.

17. (U) The chair's statement can be found on MOFA's website at www.mofa.go.jp/policy/economy/asia/eismap0611.html.
DONOVAN